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L A T E C A B L E S

Report from North Manchuria indicates that weather conditions are favorable to soybean crop but acreage is believed to be smaller than last year. Trade estimates that out of the 11 million bushels of beans, previously reported, to be exported to Germany via Siberia from 1940 crop, only 5.5 million bushels of beans and 11 million pounds of oil had been shipped before the outbreak of Soviet-German hostilities.

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Canadian Prairie Provinces experienced hot, dry weather and strong winds during week ended July 22, which caused serious decline in crop prospects of Saskatchewan and Alberta, but deterioration in Manitoba was minimized by showers and good subsoil moisture reserves. The widened drought areas of Saskatchewan were expected to produce little commercial wheat, and rain was urgently needed to prevent widespread failure in west-central sections. Conditions in southeast were fair to good and crops were standing up well in west-central and northeastern districts. Crops on stubble land in parts of Alberta believed damaged beyond repair but summer-fallow crops would be greatly benefited by early rains. In other parts of the Province moisture reserves alleviated intense heat and deterioration less marked. Grasshopper damage increased in southern Saskatchewan.

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Argentine official decree of May 20, 1941, made the granting of exchange permits for fuel imports dependent upon purchases of domestic corn for fuel. Consequently, the National Fuel Commission has now made it obligatory for importers, up to September 30, 1941, to purchase 1 ton of corn for every 2 tons of coal, or 5 tons of fuel oil, or 25 tons of crude oil imported. After September 30, import quotas per ton of corn will be 2 tons of coal, or 3 tons of fuel or diesel oil, or 15 tons of crude oil.

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G R A I N SMAY WHEAT EXPORTS
OF UNITED STATES
ABOVE LAST YEAR . . .

Exports of wheat, including flour as grain, during May totaled 4.6 million bushels this year, as compared with only 2.2 million last year but fell somewhat short of the year's record attained in April of 4.9 million bushels. As in the latter month, over half of the shipments, 2.6 million bushels, were of flour made from United States wheat, but an increase occurred in exports of grain, from 1.2 to 1.4 million bushels, while flour from wheat other than domestic showed a slight decline. In May 1940, only 0.2 million bushels of wheat moved into trade channels, 1.2 million of flour from domestic wheat, and about 0.8 million bushels of flour from other wheat.

Altogether nearly 38 million bushels of wheat were exported during July-May 1940-41 as against 52 million during the corresponding period of 1939-40. Even if shipments during June, for which trade returns are not yet available, fell below the average of the previous 11 months, total exports for the 1940-41 season probably amounted to about 40 million bushels as compared with 54 million bushels exported in the previous season.

UNITED STATES: Exports of wheat and flour, by months,
1939-40 and 1940-41

Month	1939-40				1940-41			
	Wheat	Flour from United States wheat	Other wheat	Total	Wheat	Flour from United States wheat	Other wheat	Total
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
July	3,018	3,468	784	7,270	1,888	1,212	598	3,698
August . . .	5,903	2,212	820	8,935	934	1,429	613	2,976
September .	2,530	2,127	1,018	5,675	990	1,541	514	3,045
October . . .	1,701	2,251	677	4,629	1,283	2,449	690	4,422
November . .	1,452	1,819	902	4,173	550	2,833	686	4,069
December . .	597	1,193	695	2,485	301	1,393	512	2,206
January . . .	608	1,377	665	2,650	46	1,339	478	1,863
February . .	1,430	1,519	869	3,818	56	1,789	639	2,484
March	3,705	2,217	806	6,728	1,998	1,169	601	3,768
April	1,833	1,262	742	3,837	1,246	2,973	636	4,855
May	227	1,220	792	2,239	1,413	2,563	597	4,573
11 months .	23,004	20,665	8,770	52,439	10,705	20,690	6,564	37,959
June	632	567	636	1,835	-	-	-	-
Total	23,636	21,232	9,406	54,274	-	-	-	-

Compiled from official records, Bureau of Foreign and Domestic Commerce.
Flour converted to grain equivalent on the basis of 1 barrel = 4.7 bushels.

Trade data, showing countries of destination, have not been released by the Bureau of Foreign and Domestic Commerce since March. During July-March nearly a third of the wheat and flour exported by the United States was destined for the Latin American countries, another third went to the oriental markets of China, Japan, Kwantung, and Hong Kong, and a tenth to the Philippine Islands. European shipments, which normally make up the bulk of the total, were reduced to about 18 percent, or only 5 million bushels.

On July 16 it was officially announced that the Wheat Flour Export Program, inaugurated July 2, 1940, and the Wheat Export Program of January 30, 1941, would be continued in the marketing year 1941-42. These programs were designed to encourage the exportation of domestic wheat, both as grain and in the form of flour. They provide for payments in connection with exports of wheat to Mexico and from the Pacific Coast ports to the Philippine Islands or to European destinations, and exports of flour from these ports to the Philippines, as well as from all continental United States to any country or place in the Americas and the adjacent islands, except Puerto Rico, Alaska, the Canal Zone, and to islands east of the Americas on or west of 40° west longitude. The recent increases noted in shipments of United States wheat, both as grain and as flour, were no doubt largely, if not entirely, the result of these export programs.

ITALY ENCOURAGES
EARLY WHEAT DELIVERIES
AND HIGH QUALITY . . .

Basic prices for Italian wheat of the 1941 crop are the same as those established in September 1940 for last year's crop, but a number of special premiums are added to encourage prompt delivery, careful grading, etc., while certain penalties are exacted where the wheat does not measure up to specifications. For bread wheat, growers will continue to receive the basic price of 155 lire per quintal (about \$2.22 per bushel), for durum 170 lire (\$2.43), when delivered in bulk to the official collecting agencies.

Some of the premiums offered for the new-crop wheat are those covering early deliveries, varying from 40 lire per quintal (57 cents per bushel) for wheat offered June 1-15 to 20 lire (29 cents) for all deliveries during July; those for high quality, amounting to 0.25 to 1.00 lire per kilogram (about 0.6 to 2.4 cents per pound), depending upon the specific weight of bread wheat, or 0.50 to 1.00 lire per kilogram (1.2 to 2.4 cents per pound) of durum; those offered for wheat produced in certain localities; and those paid to producers for storage in their own buildings after delivery has been made to the official collecting agencies.

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Reports regarding this year's wheat crop have been conflicting. An early estimate placed the outturn at 268 million bushels, or about the same as in 1940. The International Institute of Agriculture stated that production was satisfactory, certainly above that of last year. Other observers believe that the crop will fall below the figure reported for 1940, which was itself considered by many an overestimation.

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ORIENTAL WHEAT PROSPECTS
CONTINUE TO INDICATE
INCREASED PRODUCTION . . .

The larger estimate of the 1941 wheat crop of China maintained by the American consulate general at Shanghai makes for an increase in the combined production of China, Manchuria, and Japan, although a reduction in the Japanese wheat crop is expected this year. Some shortage of wheat and flour supplies appears likely, however, in all the countries this season, because of the scarcity of shipping facilities, the high prices prevailing in the North American countries, and the strict control of the Japanese authorities over deliveries and trade in wheat and wheat flour.

China

The 1941 wheat crop of China is estimated at 720 million bushels by the American consulate general at Shanghai as compared with 700 million bushels reported for 1940. Recent information received by the consulate indicated that a poor harvest in North China was offset by increased production in Central China, and no change in the total was considered necessary. Despite the larger estimate of the Chinese crop this year, doubt was expressed concerning an increase in the amount of wheat that would be available to Chinese mills in Shanghai, which have been operating at only about 15 percent of normal, for the manufacture of flour for consumption in that city. Any additional supplies of wheat seemed more likely to go to Japanese-owned mills for the use of their Nationals. Flour stocks in Shanghai continued to be large during the month ended July 17; estimated at about 1.8 million bags, they were considered sufficient for consumption during several months.

While Shanghai and other parts of China offered a good market for foreign flour, it was believed that not more than a fraction of the imports reported during July-June 1940-41 would be taken in 1941-42. A decrease in imports from Australia, expected to result from the great scarcity of ships, appeared unlikely to be made up by increased imports from the United States and Canada.

The fixed low price of domestic flour for consumption in Shanghai was suspended on July 2. Because of increased rice prices, various

rumors afloat, further depreciation of the yuan, and revived outport demand, the flour market became speculatively active thereafter. The daily turnover jumped from an average of 2,500 to 7,500 barrels, and local wholesale flour prices on July 17 were higher than those prevailing a month earlier. Canadian was quoted at \$7.04 per barrel and Australian at \$7.20. The latest c.i.f. quotations were reported as follows: American export straight \$7.10 per barrel, Canadian clears \$6.60, and Canadian patent \$6.90.

Imports of wheat into China during May totaled 753,000 bushels as against only 229,000 in the corresponding month of 1940. Slightly more than half a million barrels of flour were imported as compared with 448,000 barrels in May 1940. During July-May about 4,169,000 bushels of wheat were imported in 1940-41 and 5,272,000 barrels of flour as against 7,842,000 bushels and 2,748,000 barrels, respectively, in 1939-40. The United States supplied the bulk of the wheat and flour imported in May, but Australia was the chief country of origin during the season as a whole.

CHINA: Imports of wheat and flour, by countries of origin,
May 1941, with comparisons

Commodity and country	May			July-May		
	1939	1940	1941	1938-39	1939-40	1940-41
	1,000	1,000	1,000	1,000	1,000	1,000
	bushels	bushels	bushels	bushels	bushels	bushels
<u>Wheat</u>						
United States.....	364	-	353	2,457	2,978	1,246
Canada.....	33	-	236	33	-	427
Australia.....	2,122	213	164	7,076	4,846	2,292
Japan.....	-	-	-	-	-	-
Others.....	1	16	-	-	18	204
Total	2,520	229	753	9,566	7,842	4,169
	1,000	1,000	1,000	1,000	1,000	1,000
	barrels	barrels	barrels	barrels	barrels	barrels
<u>Flour</u>						
United States.....	270	25	289	740	952	1,831
Canada.....	8	5	48	84	59	229
Australia.....	388	94	121	1,729	1,009	2,040
Japan.....	30	321	60	474	657	1,166
Others.....	22	3	-	62	71	6
Total.....	718	448	518	3,089	2,748	5,272

Monthly returns of the Foreign Trade of China and American consulate general, Shanghai.

Manchuria

The generally favorable weather experienced in Manchuria through May of this season, combined with a small advance bonus to farmers to encourage wheat seeding, is expected to result in a larger wheat acreage this year than last. Furthermore, the stricter surveillance of farmers instituted under the new crop- and price-control system now in force is also expected to result in increased deliveries by the farmers. To what extent these measures will improve the acute flour-shortage situation in Manchuria is unknown. Imports were on a reduced scale during 1940-41 and domestic flour production was estimated at a maximum of 4,949,000 barrels, which though larger than the total of only 3,993,000 barrels produced in 1939-40, fell short of domestic needs, that in normal years average around 8 million barrels.

Japan

Following a series of storms during June, the 1941 grain crops of Japan are expected to be smaller than the official forecasts based on conditions of June 1. Complete figures are not yet available, but excluding the Prefecture of Hokkaido, a decrease of about 11 percent is indicated for wheat from an acreage about 2 percent smaller than that of 1940. Including a reported purchase from Canada of about 2,333,000 bushels, wheat imports into Japan during 1941 are believed to have totaled about 6 million bushels, although no official trade returns have been published. Almost half of the total consisted of Australian wheat and about 16 percent was from the United States. Flour takings were comparatively small. Quotations of foreign wheat from the month ended July 15 were not available, but no changes were reported in the fixed official prices for domestic wheat and flour.

UNITED STATES EXPORTS
OF WHEAT DECLINE
TO LATIN AMERICA . . .

Exports of United States wheat, including flour as grain, to the Latin American countries have shown a downward trend since 1937-38. Some countries, however, such as Costa Rica, Nicaragua, Panama, including the Republic and the Canal Zone, and Venezuela, increased their takings during 1938-39 and 1939-40, particularly of flour, and shipments to a few were larger during July-March 1940-41 than in the corresponding period of 1939-40 and 1938-39. Among the Latin American countries, Cuba continues to be our most important market and for the past 2 seasons has been followed by Venezuela.

WHEAT, INCLUDING FLOUR: Exports from the United States to Latin American countries, July-June, 1937-38 and 1938-39

Country	Wheat	Flour, as grain, from:		Total
		U.S. flour	Other flour	
	Bushels	Bushels	Bushels	Bushels
<u>1937-38</u>				
Costa Rica	750:	298,206 :	183,004 :	481,960
Guatemala	543:	454,758 :	44,641 :	499,942
Honduras	112,044:	47,526 :	23,138 :	182,708
Nicaragua	3,166:	116,790 :	11,402 :	131,358
Panama, Republic of	1,691:	371,855 :	204,079 :	577,625
Panama Canal Zone				
El Salvador	180,095:	121,124 :	11,581 :	312,800
Cuba	45,075:	2,404,196 :	2,405,413 :	4,854,684
Mexico	3,270,327:	74,147 :	1,217 :	3,345,691
Dominican Republic	36,137:	28,548 :	171,907 :	236,592
Haiti, Republic of	0:	186,078 :	211,533 :	397,611
Bolivia	393,573:	111,728 :	5,819 :	511,120
Brazil	355,600:	127,722 :	136,361 :	619,683
Chile	33,332:	8,493 :	235 :	42,060
Colombia	248,947:	29,248 :	11,473 :	289,668
Ecuador	15,625:	588,337 :	10,222 :	614,184
Peru	586,918:	37,111 :	44,847 :	668,876
Venezuela	26:	458,358 :	877,852 :	1,336,236
Others a/	0:	0 :	0 :	0
Total	5,283,849:	5,464,225 :	4,354,724 :	15,102,798
<u>1938-39</u>				
Costa Rica	0:	230,469 :	285,159 :	515,628
Guatemala	33:	448,719 :	61,373 :	510,125
Honduras	173,304:	56,363 :	43,526 :	273,193
Nicaragua	666:	212,812 :	352 :	213,830
Panama, Republic of	13,434:	194,744 :	253,396 :	461,574
Panama Canal Zone	0:	193,870 :	1,988 :	195,858
El Salvador	287,031:	101,760 :	20,022 :	408,813
Cuba	42,575:	2,168,985 :	2,690,432 :	4,901,992
Mexico	2,489,066:	23,425 :	459 :	2,512,950
Dominican Republic	26,892:	40,504 :	196,949 :	264,345
Haiti, Republic of	60:	205,140 :	195,665 :	400,865
Bolivia	0:	20,636 :	11,441 :	32,077
Brazil	0:	70,431 :	113,321 :	183,752
Chile	0:	43,437 :	0 :	43,437
Colombia	292,168:	25,512 :	31,904 :	349,584
Ecuador	0:	561,138 :	34,652 :	595,790
Peru	55,416:	32,635 :	67,534 :	155,585
Venezuela	153:	342,560 :	1,278,813 :	1,621,526
Others a/	380:	160 :	395 :	935
Total	3,381,178:	4,973,300 :	5,287,381 :	13,641,859

Compiled from official records, Bureau of Foreign and Domestic Commerce.

a/ Argentina, Paraguay, and Uruguay.

WHEAT, INCLUDING FLOUR: Exports from the United States to Latin American countries, July-June 1939-40 and July-March 1940-41

Country	Wheat	Flour, as grain from		Total
		U.S. flour	Other flour	
1939-40	Bushels	Bushels	Bushels	Bushels
Costa Rica	0:	184,723:	356,556:	541,279
Guatemala	0:	388,626:	82,381:	471,007
Honduras	157,239:	49,376:	28,929:	235,544
Nicaragua	0:	293,282:	10,471:	303,753
Panama, Republic of	200:	236,881:	273,778:	510,859
Panama Canal Zone	0:	221,827:	3,125:	224,952
El Salvador	157,941:	93,041:	33,365:	284,347
Cuba	64,959:	2,632,108:	2,438,821:	5,135,888
Mexico	144,653:	32,468:	208:	177,329
Dominican Republic	18,461:	66,764:	179,088:	264,313
Haiti, Republic of	0:	189,910:	228,811:	418,721
Bolivia	0:	11,840:	7,408:	19,248
Brazil	2:	39,927:	206,081:	246,010
Colombia	237,262:	38,328:	22,550:	298,140
Ecuador	0:	708,780:	53,213:	761,993
Peru	0:	9,879:	78,407:	88,286
Venezuela	3,394:	447,115:	1,608,054:	2,058,563
Others a/	0:	23:	1,255:	1,278
Total	784,111:	5,644,898:	5,612,501:	12,041,510
1940-41 b/				
Costa Rica	38:	177,613:	230,195:	407,846
Guatemala	0:	254,378:	58,351:	312,729
Honduras	74,010:	24,426:	20,863:	119,299
Nicaragua	0:	185,900:	3,477:	189,377
Panama, Republic of	0:	133,325:	237,619:	370,944
Panama Canal Zone	0:	192,799:	3,093:	195,892
El Salvador	38,350:	71,857:	31,071:	141,278
Cuba	15,255:	2,081,982:	1,435,953:	3,533,190
Mexico	693,931:	73,062:	431:	767,424
Dominican Republic	19,557:	14,270:	163,113:	196,940
Haiti, Republic of	0:	97,517:	154,138:	251,655
Bolivia	0:	11,892:	2,726:	14,618
Brazil	0:	121,189:	190,863:	312,052
Colombia	45,552:	31,033:	13,790:	90,375
Ecuador	0:	281,981:	27,880:	309,861
Peru	0:	10,002:	49,863:	59,865
Venezuela	94:	144,563:	1,296,312:	1,440,969
Others a/	0:	0:	0:	0
Total	886,787:	3,907,789:	3,919,738:	8,714,314

Compiled from official records, Bureau of Foreign and Domestic Commerce.

a/ Argentina, Paraguay, Uruguay, and Chile. b/ July-March only; during the corresponding period of 1939-40, the total was 9.3 million bushels.

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During 1937-38, about a third of the wheat exported to all the Latin American countries was in the form of grain, slightly more than a third was of flour made from domestic wheat, and a little less than a third was of flour milled in bond from wheat other than that of the United States, largely Canadian. In the following year, the proportions of wheat and flour from United States wheat declined, but exports of flour milled in bond increased.

In 1939-40, 94 percent of the total wheat destined for Latin American countries consisted of flour, divided about equally between domestic and that milled in bond in the United States. During July-March of 1940-41, a slight increase in grain shipments occurred, with takings of flour from United States wheat again about the same as those of flour milled in bond. Because of the marked increases in total exports of grain and of domestic flour, however, reported for April and May, it is possible that final figures for the 1940-41 season, if available, would show some variation in the usual pattern of wheat exports to the Latin American countries in favor of flour from domestic wheat.

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CANADA PROHIBITS MILL-FEED EXPORTS / . .

The export of wheat mill feeds from Canada, except under license, was forbidden as of July 15, according to information received in the Office of Foreign Agricultural Relations. While authority for such action was based on legislation as of March 4, 1941, it was not previously exercised. Dry weather, however, which has resulted in poor hay crops, poor pasturage, and a deterioration in feed-grain prospects in Canada made it probable that the production of milk and other livestock products would be inadequate unless such exports were restricted.

Each milling firm is therefore to receive an export quota for each of the months of July and August equal to one-sixth of its total export shipments, either direct or through other merchandising agencies, during July-December 1940. A firm planning to export mill feeds on or after July 15 is therefore required to give the Export Permit Branch of the Department of Trade and Commerce information regarding its total exportation of bran, shorts, and middlings during the latter half of 1940 and also during July 1941, 1942. Maximum prices and markups for mill feeds will be fixed by the Wartime Prices and Trade Board, which has announced a reduction in the wholesale prices of bran, shorts, and middlings to become effective immediately throughout Canada.

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FINLAND FACES

BREAD-GRAIN SHORTAGE . . .

Although the results of the Finnish inventory of grain and grain products were not definitely known on May 1, it was reported that available supplies and those expected to become available would total only about 78,000 short tons, whereas about 183,000 tons were needed to fill requirements from May 1 until September 1 when the new crops will be harvested.

This left a deficiency of some 105,000 tons. Although purchases in South America and the United States, afloat and those for which navicerts had been granted but which were only partly loaded on May 1, would, if received, cover about half the deficit, the remainder, around 55,000 tons, would still be lacking, according to earlier reports. More recent information, however, indicates that Germany may provide part of this.

EGYPT RESTRICTS

RICE ACREAGE . . .

A marked reduction in the Egyptian rice acreage for 1941 has been authorized by a Government Decree, according to information received by the Office of Foreign Agricultural Relations. The Decree grants permission to plant 273,000 acres as compared with the authorized acreage in 1940 of 484,000 acres. Based on weather conditions, this year's production is forecast at about 18 million bushels as compared with 32 million bushels harvested in 1940. The acreage has been reduced on account of the unfavorable outlook for exports from this season's crop.

EGYPT: Rice acreage and production, average 1931-1935,
annual 1936-1940

Year	Acreage	Production
	<u>1,000 acres</u>	<u>1,000 bushels</u>
Average, 1931-1935.....	378	23,278
1936.....	489	33,945
1937.....	273	18,239
1938.....	495	35,528
1939.....	568	43,218
1940 <u>a/</u>	528	32,322

Compiled from official publications.

a/ Preliminary.

Egypt for some years has been a net exporter of rice, the percentage of the crop exported varying from 10 to 40 percent, depending upon the size of the harvest. From 1935 to 1939 exports averaged 234 million pounds. European countries have generally been the principal markets for Egyptian rice.

BRAZIL PROHIBITS
RICE EXPORTS . . .

The Brazilian Government on June 30 issued a decree prohibiting the exports of rice until such time as the domestic production becomes normal, according to information received from the American Embassy at Rio de Janeiro. In early May, floods severely damaged the rice harvest in the State of Rio Grande do Sul, the principal surplus area of the country. Brazilian exports during 1935-1940 averaged about 85 million pounds. The principal destinations before the outbreak of the European war were European countries and Argentina.

The following is a translation of Decree-Law No. 378 of June 30, 1941.

The President of the Republic, taking into consideration the losses threatening the national rice industry due to the recent floods in the south of the country which reduced its crop:

Considering the desirability of satisfying the needs of the national market and bearing in mind, on the other hand, that the exportation of rice will make this objective difficult:

Availing himself of the powers conferred upon him by Article 189, of the constitution, decrees:

Article 1 - Until such time as the national rice farming situation becomes more normal, its production is reserved for internal consumption.

Article 2 - The National Economy Defense Commission will take steps to suppress, within the law, any illegal speculations or monopoly of this product.

Article 3 - The present decree law will enter into effect on the date of its publication, revoking all dispositions to the contrary.

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V E G E T A B L E O I L S A N D O I L S E E D S

INDIAN CONSUMPTION
OF OIL CAKE INCREASES . . .

The oilseed market in India was considered fairly normal during the quarter ended March 31, 1941, according to information received in the Office of Foreign Agricultural Relations. Due to the continued scarcity of imported fertilizers, there was a decided improvement in domestic consumption of oil cake for this purpose. Export demand was confined primarily to the British Ministry of Food, as shortage of shipping space was a retarding factor.

Prices of peanuts in the two important markets, Madras and Bombay, advanced during the period under review, probably because of increased buying by the British Ministry of Food. It is reported that purchases amounted to approximately 122,000 short tons of peanuts and 7,000 tons of peanut-oil cake. Local consumption also showed improvement. Stocks of peanuts for export at the end of March were estimated at 72,000 tons at South Indian ports and 36,000 tons at Bombay. There appears to be a tendency in the Bombay area to hold stocks in the interior, where storage and handling charges are negligible as compared with those at Bombay.

The flaxseed market was steady during the months of January and February, but dropped in March when the new crop began to arrive. Millers in India made substantial purchases, and consumption was about normal. The Calcutta market for linseed oil was active, and mills are reported to be working 24 hours a day in some districts. Practically no stocks are available. Some export business with the Far East was reported during the January-March quarter. Trade circles in Bombay report that the British Ministry of Food purchased about 22,000 tons of flaxseed.

There was very little activity in the export trade in rapeseed; however, reports indicate that the Ministry of Food is making an effort to provide shipping space for the exportable surplus. Rapeseed-oil and mustard-oil stocks were seasonably small at the end of March. Both oils are popular in the vicinity of Calcutta, where they are used for culinary purposes.

Trade in sesame and cottonseed is confined, for the most part, to domestic requirements, and ample supplies are reported.

The castor bean market throughout India was generally quiet during the quarter, although small shipments to Australia were reported. Consumption by local crushers was fair, and stocks in important centers were below normal.

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C O T T O N - O T H E R F I B E R S

IMPORTS OF COTTON

INTO CHINA DECLINE IN MAY . . .

Imports of 98,000 bales of cotton into China in May were much less than the 141,000 received in April but were not as low as had been expected under present unfavorable conditions, according to information received in the Office of Foreign Agricultural Relations. Current arrivals are still made up largely of Indian cotton, although purchases of Brazilian for future delivery have been heavier in recent months. This trend toward greater purchases of Brazilian has been influenced both by relatively low prices of Brazilian cotton and a shortage of shipping space from India. The shipping shortage was aggravated by a Japanese Government order issued about July 3, 1941, reserving practically all cargo space on Japanese ships from Indian ports for shipments of cotton to Japan.

CHINA a/: Imports of raw cotton, by countries of origin,
May 1941, with comparisons
(In bales of 478 pounds net)

Country	May			October-May		
	1939	1940	1941	1938-39	1939-40	1940-41
	Bales	Bales	Bales	Bales	Bales	Bales
United States	16,071	29,314	19,368	60,923	372,924	68,683
British India	136,943	61,119	58,421	301,891	183,359	394,470
Egypt	3,204	878	547	21,988	30,205	8,245
Brazil	7,361	273	17,927	73,927	43,461	126,950
Others	2,820	5,488	1,292	8,791	23,555	7,950
Total	166,399	97,072	97,555	467,520	653,504	606,298

Monthly Returns of the Foreign Trade of China. a/ Excludes Manchuria.

Forward purchases of cotton at the end of May amounted to about 165,000 bales, consisting of 90,000 bales of Brazilian, 60,000 of Indian, and 10,000 of American. Unsold stocks at Shanghai were estimated at about 27,000 bales, 10,000 of which were Indian, 8,000 Chinese, and 4,000 bales each of Brazilian and American. Arrivals of domestic cotton at Shanghai continued low and were almost exclusively for Japanese mills. Total stocks at Shanghai were believed to be sufficient for 4 or 5 months' consumption at the current rate of mill operations. Mill consumption in all China, including Manchuria, was estimated at 122,000 bales for June.

Prices of all growths of cotton advanced steadily on the Shanghai market during June and the first half of July, excepting in the first week of July when it was believed that the Japanese would seize two Chinese spinning mills, in the International Settlement. Quotations on July 14 for American Middling 7/8 inch, Brazilian type 5, and Indian fine Akola for August shipment were equivalent to 19.58, 18.05, and 11.24 cents per pound, respectively, representing an increase of about 2 cents per pound.

for American and Brazilian. Quotations for Chinese Tungchow were equivalent to 11.55 cents against 11.21 cents on June 14.

Crop conditions in occupied North and Central China are reported to be generally good. Recent press reports state that the North China Cotton Improvement Institute expects to increase cotton acreage in North China by about 267,000 acres this year and 330,000 next year. Good rains have relieved an early drought in unoccupied China.

In Manchuria a law made effective July 1, 1941, superseding a similar law already in force, requires that all cotton imports, exports, and local purchases, sales, and movements are to be made only by persons designated by the Minister of Economics and at prices approved or officially fixed by him. Cotton yarn consolidated tax rates for Shanghai Settlements and occupied Central China were raised 100 percent by the Japanese-sponsored Government at Nanking, effective July 1, 1941.

EGYPT'S COTTON EXPORTS REMAIN LOW . . .

Exports of cotton from Egypt during the 8 months ended April 30, 1941, amounted to only 482,900 bales (of 478 pounds net) as against 1,295,400 bales for the corresponding period in 1939-40. Cabled reports show exports of 96,100 bales during the period May 1 to June 25, 1941. About 74,700 bales of the 1940-41 total (through June 25) were destined for the United States, while considerable quantities were exported to India. (Statistical data for exports by countries not available since October 1940.) Reports received from Japan and China indicate that shipments to those countries may not have exceeded 50,000 and 8,000 bales, respectively for the 8-month period. The British Government's Cotton Buying Commission at Alexandria is reported to have purchased about 1,172,000 bales of Egyptian cotton between September 15, 1940, and April 30, 1941. The price schedule previously established by the British still prevails (see Foreign Crops and Markets, April 14, 1941).

Domestic consumption has been about normal. The total for the 8 months ended April 30, 1941, was estimated at 91,500 bales against 98,300 bales for the corresponding period last year. Stocks were estimated on April 30, 1941, at 1,671,000 bales compared with 617,000 bales a year ago.

The crop condition was about normal at the end of April. Less than usual replanting was necessary; a shortage of water for irrigation was not considered serious, and damage from thrips was reported as minor.

T O B A C C OALGERIAN TOBACCO AREA
TO BE INCREASED . . .

Prospects for the current tobacco crop in Algeria are reported to be good, although many early sowings were destroyed by frosts, according to information received in the Office of Foreign Agricultural Relations. The weather during the transplanting season was exceptionally favorable, and the plants have made a good start.

All plantations are under strict Government control, and because of war regulations no information has been released concerning the area planted or the expected volume of the 1941 crop. It is known, however, that the growers have been encouraged to increase their acreage this year, owing to the difficulties of importation. Moreover, as most of the tobacco land in France is now controlled by Germany, the French Regie may probably have to import a greater part of its requirements from Algeria. There are about 100,000 acres of suitable tobacco land in Algeria, and, allowing for the fact that some of this land will be used for cotton and other crops, it seems probable that the area planted to tobacco will be at least 65,000 acres instead of the average 50,000-acre assignment of recent years.

The French Regie usually purchases about 55 percent of the crop. The only markets of any importance outside of France are the Netherlands and Belgium, the combined purchases of which, before German occupation, amounted to about 7 percent of the total Algerian tobacco exports.

FLUE-CURED TOBACCO SUPPLY
REDUCED IN THE ORIENT,
BUT CONSUMPTION MAINTAINED . . .

Developments in the flue-cured tobacco producing districts of China, Manchuria, and the Japanese Empire since planting indicate a lower 1941 acreage and production than was previously expected. Consumption in these countries continues at a high level, but shipping difficulties now indicate that leaf imports from the United States during the 1940-41 season will be substantially below earlier indications, according to American Agricultural Attaché Owen L. Dawson at Shanghai.

The combined 1941 flue-cured production in the countries under consideration is now expected to total about 275 million pounds as compared with a recently revised 1940 estimate of 279 million and average production during the years 1934-1938 of 227 million pounds. Consumption of flue-cured leaf in the three countries for 1940-41 is expected to be approximately equal to that of 1939-40 of about 315 million pounds, which

is well above the average for recent years and about the record level attained before the outbreak of hostilities in 1937. Imports of American leaf and stems, which are largely confined to takings by Chinese, British, and American interests in China, were previously forecast for 1940-41 at 65 million pounds as compared with 80 million in 1939-40. Recent shipping difficulties, however, indicate a much lower volume. Imports of American leaf (stems are not reported monthly) from October 1940 through April 1941 totaled only about 7 million pounds as compared with 23 million pounds during the corresponding months of the preceding year.

China

The 1941 flue-cured tobacco acreage in China is now estimated at about 109,000 acres, or a reduction of 7 percent from the 1940 harvested acreage of 117,000 acres. The 1941 production based on early indications is forecast at 115 million pounds as compared with the estimated 1940 output of about 123 million. The decline in acreage is attributed to relatively low prices paid for the 1940 flue-cured crop, as contrasted with high prices for food crops, and growers' opposition to Japanese control of tobacco markets. Prevailing scarcity and higher prices for food, higher costs for materials needed in the production of tobacco, and general uncertainty regarding market outlets have led many growers to resort to a self-sufficient mode of farming rather than producing tobacco and exchanging the proceeds from it for their necessities.

Japanese official organizations continue to control the supply of domestic flue-cured leaf available for factory-made cigarettes. A large portion of the total supply, however, continues to be used for hand-rolled cigarettes. In the Shantung district Japanese agencies purchased directly or through Chinese buyers about 32.4 million pounds of the estimated 1940 flue-cured production of 50 million pounds. British and American interests were permitted to buy approximately 9.4 million pounds, and the remainder was retained for consumption on farms or for sale to hand-rolled operators. Information regarding disposition of the 1940 crops in Anhwei and Honan is limited, but aside from a part of the Anhwei crop purchased by Japanese concerns, practically none has reached the usual manufacturing centers. It is believed that nearly all of the Honan crop and much of the Anhwei production has been taken by hand-rolled operators or small factories in the interior.

Cigarette consumption in China has been maintained at a relatively high level, and well over half of the supply continues to come from Chinese-, British-, and American-owned factories. Reduction in the supply of Chinese leaf available to these concerns, combined with curtailed imports resulting from limited shipping accommodations, and Japanese control over the movement of cigarettes from factory centers have enabled Japanese cigarette manufacturing concerns to continue their advance in supplying an increasing proportion of the cigarettes sold.

Manchuria

Manchuria's 1941 production of flue-cured tobacco on an acreage nearly 10 percent below that of 1940 is forecast at about 38 million pounds as compared with the revised estimate of 36 million in 1940 and average production during the years 1934-1938 of 7 million pounds. The restriction in 1941 acreage is reported to have resulted from growers' dissatisfaction with Government control over marketing. Farmers are said to have withheld approximately 6 million pounds of the 1940 crop from markets as a protest against unsatisfactory control measures of the Japanese-sponsored monopoly buying company.

Higher 1941 production on the reduced acreage is based on the assumption that near-average yields will be obtained. The 1940 production was curtailed by disease damage, unfavorable weather, and shortage of fertilizer.

Stocks of flue-cured leaf in Manchuria are reported to be exceptionally low, and for some months manufacturers have been unable to supply the increasing demand for cigarettes. Total flue-cured leaf needed to meet minimum requirements is estimated at near 50 million pounds, and it is expected that some quantities will be imported during the coming year from countries outside Japanese control. Most of the needed imports are expected to come from India.

Japanese Empire

The 1941 production of flue-cured leaf in Japan proper, Chosen, and Taiwan from an acreage about 2 percent below 1940 is expected to total approximately 122 million pounds as compared with 120 million in 1940 and average production during the years 1934-1938 of 65 million pounds. The acreage planted in Chosen is reported to have been increased substantially, that of Taiwan maintained, and that in Japan proper reduced as a result of the need of land to grow foodstuffs.

Monopoly cigarette factories in all of the Empire areas are hard pressed to meet increasing demands by smokers. The output at present is reported to be above any previous level but is still short of consumption requirements. Leaf stocks are reported to be declining, but with leaf production continued near the 1940 level, they are ample to maintain present factory output and permit some further increase.

The Empire continues its policy of prohibiting tobacco imports and where possible encourages exportation. During recent months nearly 1 million pounds of Japanese flue-cured leaf have been exported to Germany by way of Siberia. Exports of native types of leaf to Egypt have been maintained and substantial quantities of leaf and stems, both native and flue-cured, have been sent to China and Manchuria.

ORIENT: Estimated acreage, yield, production, and farm price of flue-cured tobacco in China, Manchuria, and Japanese Empire, average 1934-1938, annual 1939-1941

Country and year	Acreage harvested	Yield per acre	Production	Farm price per pound	
				Local currency	United States currency
	Acres	Pounds	1,000 pounds	Yuan	Cents
<u>China</u>					
Average 1934-1938.....	146,260	1,059	154,900	.178	4.63
1939	110,000	1,091	120,000	.533	3.79
1940	117,000	1,047	122,500	.759	4.27
1941 a/	108,500	1,059	115,000	-	-
<u>Manchuria</u>					
Average 1934-1938.....	6,180	1,077	6,657	.201	5.79
1939	35,000	1,114	39,000	.350	8.20
1940	40,000	900	36,000	.403	-
1941 a/	36,000	1,047	37,700	-	-
<u>Japanese Empire b/</u>				<u>Yen</u>	
Average 1934-1938.....	44,142	1,472	64,987	.376	10.46
1939	71,802	1,631	117,125	.554	12.40
1940 c/	85,200	1,411	120,249	.637	-
1941 a/	83,799	1,455	121,925	-	-
<u>Total</u>					
Average 1934-1938.....	196,582	1,152	226,544	-	6.34
1939	216,802	1,274	276,125	-	8.07
1940 c/	242,200	1,151	278,749	-	-
1941 a/	228,299	1,203	274,625	-	-

Compiled from official and trade sources; American agricultural attaché, Shanghai,

a/ Forecast.

b/ Japan proper, Chosen, and Formosa.

c/ Preliminary estimate.

WAR PROBLEMS TIE UP TOBACCO

TRADE OF CANARY ISLANDS . . .

In the Las Palmas district of the Canary Islands, there is normally a rather extensive output of tobacco products for the Spanish tobacco monopoly company and for local consumption, according to information received in the Office of Foreign Agricultural Relations. As the native production of leaf tobacco is unimportant in comparison with factory requirements, leaf must be imported on a fairly large scale to satisfy the demand of manufacturers.

Owing to prevailing Spanish exchange and to other trade problems arising from war conditions, it continues to be extremely difficult for manufacturers to obtain adequate amounts of leaf for their factories. Imports of Spanish-grown leaf (unknown in the Canaries until after the Spanish civil war) continue to represent an important percentage of the total leaf imports, but the possibilities of buying leaf in continental Spain are subject to some limitations. Imports of Spanish-grown leaf during the first quarter of 1941 dropped to 138,000 pounds, as compared with 366,000 pounds during a similar period of 1940. Imports of foreign leaf, some of which comes from the United States, declined at about the same rate. Total leaf imports for the year 1940 amounted to 2.3 million pounds. Before the war, there was a good import trade for American tobacco products, but these imports, as well as those from other countries, have been almost eliminated by war conditions.

LEAF TOBACCO: Imports into Canary Islands,
by quarters, 1940

Kind	First quarter	Second quarter	Third quarter	Fourth quarter	Total 1940
	<u>Pounds</u>	<u>Pounds</u>	<u>Pounds</u>	<u>Pounds</u>	<u>Pounds</u>
Foreign grown	439,639	778,973	120,248	148,985	1,487,845
Spanish grown	365,770	254,526	103,585	132,014	855,894
Total imports	805,409	1,033,499	223,833	280,998	2,343,739

Compiled from official sources.

Shipments to Spain have been affected also. The manufacture of cigars and cigarettes for sale to the monopoly company in Spain is important on the Island of Grand Canary. These shipments were suspended during the first 4 months of the year, pending the outcome of negotiations for higher prices. Manufacturers maintained that, owing to increases in the cost of raw material, they could no longer ship products to the monopoly company at prices stipulated for previous orders. This lag, combined with low leaf stocks, caused some factories to cease operating.

The general outlook for the industry is unfavorable because of the ever-mounting import problems and transport difficulties. If there is no improvement in the possibilities of acquiring much-needed leaf tobacco, even the future fulfillment of the important Spanish contract may be jeopardized.

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F R U I T S, V E G E T A B L E S, A N D N U T SARGENTINA TO ENCOURAGE
PLANTING OF OLIVE TREES . . .

The consumption of olive oil and pickled olives in Argentina is large, as indicated by import statistics. The average annual imports of olive oil during the past 16 years (1925-1940) amounted to 36,700 short tons, while pickled olives of all varieties amounted to 4,800 tons. Domestic olive production, on the other hand, is small. Olive oil produced during 1938 was estimated at only 73 short tons, while for 1939 it was 136 tons.

These facts led to the creation of the Advisory Committee on Olive Cultivation (Comision Asesora de Olivicultura) by the Ministry of Agriculture. The committee is composed of specialists representative of the producers and the institutions connected commercially with olives and olive oil. It has already been established that Argentina has ideal conditions for the cultivation of olive trees.

The committee is charged with the following functions:

Advise on all measures tending to promote, guide, and coordinate the development of olive-tree cultivation;

Suggest measures that will lead to the wider development of olive culture;

Procure the coordination of the activities carried out by national institutions, provincial governments, and departments of the Ministry of Agriculture with a view to furthering olive cultivation in the Republic;

Create regional committees with the same objects;

Study and propose the formation of cooperative societies, exchanges, funds for financing cultivation, and in general the legal and reglementary rules that are most suitable for the achievement of the objects of the Committee to the fullest possible extent.

By stimulating olive cultivation in the manner indicated above, a further source of wealth will be made available in poor districts, which are unsuitable for other types of crops, in addition to diversifying production in other regions.

BULGARIA ACTS TO ENCOURAGE
INCREASED NUT PRODUCTION . . .

A special "Law on Fruit Growing" was enacted in Bulgaria and published in the Official Gazette No. 75 of April 4, 1941, one of the sections of which concerns "Protection and Encouragement of Walnut, Chestnut, Filbert, and Almond Culture in Bulgaria." The provisions of this chapter read as follows:

1. Walnut and chestnut trees may be cut down only by special permit, from the agronomist authorities for walnut and chestnut trees growing in fields, and from the forest authorities for such trees growing in the forests.
2. Permits may be granted to cut down only old or dried-up walnut and chestnut trees, of a diameter of at least 80 centimeters at the stump, or such trees as bear low-quality nuts.
3. A farmer desiring to cut down walnut or chestnut trees should file a written application addressed to the agronomist or forest authority in the respective municipality. After such application has been received, the agronomist or forester inspects the trees, and if they are found to be useless and no harm will be caused to the forest by their removal, the trees are marked and a written permit is given. The inspection of walnut and chestnut trees that bear low-quality nuts may take place only in September or October, before the nuts are picked.
4. Transportation of walnut or chestnut logs for industrial or business purposes from one place to another, or by the Bulgarian railways, is not allowed without special written permit issued by the agronomist or forest authorities, which permit, in turn, is issued on the basis of the permit granted to cut the trees.
5. Local factories are not allowed to use unmarked walnut and chestnut logs.
6. The export of walnut logs and unmanufactured products thereof is forbidden.
7. Cutting down walnut and chestnut trees for opening streets, railroads, highways, roads, electric cable lines, canals, etc., may be effected after special request is made, and, for each separate case, special authority is given by the respective agronomist or forest official.

The removal by storm, wind, or other natural elements of walnut or chestnut trees is confirmed by a certificate from the agronomist or forest authority upon the oral report of the owner of the trees. The

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execution of the certificate and fixing of damages caused to crops by such trees falling down is done officially. The transportation and use of walnut and chestnut trees, referred to in this paragraph, is allowed only by special permit, in which there should appear the date and number of the certificate by which the fact has been established.

8. Walnut or chestnut trees, cut down or removed, for which no permit had been given or certificate issued according to articles 1 and 7 of this law, are confiscated and sold at public sale, and the proceeds deposited in a current account for the improvement of nut culture. The sale of confiscated walnut and chestnut logs is performed by a committee, consisting of the local agronomist or forester as president, and the mayor of the municipality in whose region the walnut or chestnut trees are found. The latter also represents the fiscal authority.

9. Government fruit nurseries produce grafted and otherwise grown walnut, chestnut, filbert, and almond plants of the best quality local and foreign types, which are sold at reduced prices to the farmers for planting.

Until the time when only grafted walnut and chestnut trees will be used for planting, walnut and chestnut trees obtained from seeds may be planted, but mainly in public places, such as municipal parks, uncultivated land, and alongside highways, rivers, and creeks. The State, through the municipality, furnishes free of charge nursery plantings to farmers, who are to take care of the cultivation of the trees, and use the fruit.

Logs of walnut and chestnut trees to be cut down are made use of by the State or by the municipality.

10. A farmer desiring to obtain a permit to cut down a walnut or chestnut tree is obliged to plant at least three new plants for each tree of the kind he desires to cut.

11. Each farmer receiving grafted walnut or chestnut trees from a Government nursery at reduced prices, is obliged to plant them and take care of them in accordance with the instructions of the agronomist authorities.

12. Walnut, chestnut, filbert, and almond groves, as well as bare fields, woods, river banks, and the like, in the region of forests, are excluded from the above mentioned regime, and should be included in the fruit-growing plan of the country. Making use of such lands will be arranged by special regulation for the Encouragement of Walnut, Chestnut, and Almond Cultures in Bulgaria.

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L I V E S T O C K A N D A N I M A L P R O D U C T S .

ARGENTINE MEAT PRODUCTION

SMALLER IN 1940

Meat production in Argentina in 1940 amounted to 5.2 billion pounds, a decrease of 145 million pounds or 3 percent as compared with 1939. The decrease was entirely in beef and attributable chiefly to the restricted export outlet. Despite a smaller number of sheep and lambs slaughtered, the increase in the average weight resulted in a larger total production of mutton and lamb than in 1939. Domestic consumption of meat in 1940 absorbed 4.0 billion pounds or 77 percent of the total quantity produced, leaving about 1.2 billion pounds available for export.

ARGENTINA: Livestock slaughter and meat production and consumption, 1936-1940

Item	1936	1937	1938	1939	1940
	1,000	1,000	1,000	1,000	1,000
<u>Slaughter -</u>	<u>head</u>	<u>head</u>	<u>head</u>	<u>head</u>	<u>head</u>
Cattle and calves.....	6,731	7,161	7,069	7,456	6,984
Hogs	1,435	1,605	1,245	1,156	1,176
Sheep and lambs	6,988	7,081	7,839	7,682	7,518
	Million	Million	Million	Million	Million
<u>Meat production -</u>	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>
Beef and veal <u>a/</u>	3,628	3,989	3,937	4,235	4,044
Beef and veal <u>b/</u>	4,167	4,546	4,494	4,803	4,623
Pork <u>a/</u>	240	258	198	207	209
Mutton and lamb <u>a/</u>	245	241	282	261	286
Mutton and lamb <u>b/</u>	315	309	361	329	362
<u>Meat consumption -</u>					
Beef and veal <u>a/</u>	2,584	2,835	2,781	3,021	3,045
Beef and veal <u>b/</u>	3,123	3,392	3,338	3,589	3,624
Pork <u>a/</u>	174	182	150	171	199
Mutton and lamb <u>a/</u>	135	126	174	140	150
Mutton and lamb <u>b/</u>	205	194	253	208	226
<u>Per capita consumption -</u>	<u>Pounds</u>	<u>Pounds</u>	<u>Pounds</u>	<u>Pounds</u>	<u>Pounds</u>
Beef and veal <u>a/</u>	209	226	218	233	232
Beef and veal <u>b/</u>	252	270	262	277	276
Pork.....	14.0	14.5	12.0	13.2	15.2
Mutton and lamb <u>a/</u>	10.9	10.0	13.6	10.8	11.4
Mutton and lamb <u>b/</u>	16.6	15.4	19.8	16.1	17.2

Production estimates based on slaughter and average dressed weight at packing plants. a/ Excludes quantity produced on farms. b/ Includes estimates for quantity produced on farms. It is estimated that roughly 1 million cattle and 2 million sheep and lambs are slaughtered on farms annually for farm consumption, according to a report from the United States agricultural attaché at Buenos Aires. No estimate is available for the number of hogs slaughtered on farms.

Beef and veal production in 1940 amounted to 4.6 billion pounds, a decrease of 4 percent compared with the large production of 1939. Approximately 89 percent of the Argentine meat produced consists of beef.

Notwithstanding the smaller total production of beef and veal, a material reduction in chilled, frozen, and canned beef exports, from 1,205 million pounds in 1939 to 999 million in 1940, or 17 percent, left a slightly larger quantity for domestic consumption in 1940 than in 1939. Domestic consumption absorbed 78 percent of the total beef and veal produced in 1940 against an average of only 75 percent for the 5 years 1936-1940. The other 25 percent in normal times went chiefly to the United Kingdom and continental destinations in the form of chilled and frozen beef. In addition a relatively small quantity of canned beef was exported to the United Kingdom and to the United States.

Meat exports in the first 5 months of 1941 exceeded the same period a year earlier by about 1 percent. Last year in the same months, before the fall of France, there was an increase of 21 percent as compared with a year earlier. The increase this year has been in canned meat (principally beef) and in frozen pork. There has been a substantial decrease in beef of the chilled and frozen types and also in frozen mutton. Exports of live sheep, however, increased 9 percent to 628,000 head principally for processing in Chile. This represents about 2 million pounds of dressed meat.

ARGENTINA: Exports of specified meats,
January-May, 1939-1941 a/

Kind of meat	January-May		
	1939	1940	1941
	1,000 pounds	1,000 pounds	1,000 pounds
Beef, chilled type	319,768	322,727	315,309
Beef, frozen type	100,572	159,441	75,311
Salt beef	b/ 6,459	1,603	2,086
Canned meat c/	24,057	37,714	159,121
Total	450,856	521,485	551,827
Mutton and lamb, frozen and chilled	54,526	91,683	48,841
Pork, frozen and chilled	4,473	2,987	20,382
Salt pork	d/	478	617
Total	509,855	616,633	621,667

Compiled from *Las Exportaciones en los Primeros Cinco Meses de 1941*; Ministerio de Hacienda.

a/ For exports of principal types by countries, for the years 1938-1940, see Foreign Crops and Markets, May 26, 1941.

b/ Includes other salt meat.

c/ Principally beef.

d/ Included with beef.

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British beef purchases for the year ending September 30, 1941, are expected to be about 11 percent below exports to that country for the calendar year 1939. Frozen-beef purchases (including chilled type) are estimated at 606 million pounds, a decrease of 25 percent, and canned beef at 220 million pounds, an increase of 90 percent.

Upon announcement of the British Purchase Plan, the Argentine Government as of January 23, 1941, fixed prices to be paid by packers for chiller-type steers at a level 10 percent lower than those prevailing formerly, but raised the price of the canner type. This was for the purpose of avoiding the inequalities that would otherwise result by the diversion of part of the high-grade chiller type for canning purposes.

These prices have been adjusted upward several times, except in the case of steers suitable for canning, which still remain at \$2.70 per 100 pounds. The basic price for high-grade steers of the chiller type is now \$4.02 per 100 pounds compared with \$3.51 as originally fixed in January. 1/

Although the proportion of Argentine canned beef shipped to the United States is small in comparison with total beef shipments from that country, Argentina is the most important source of our canned-beef imports. Imports of Argentine canned beef into the United States in 1940, according to United States import statistics, amounted to 30 million pounds, a decrease of 14 percent compared with 1939. In the first 5 months of 1941, imports from Argentina amounted to 22 million pounds and were 22 percent larger than in the same period a year earlier.

The latest estimate of cattle numbers in Argentina ranges from 33 to 36 million head compared with the census enumeration of 33,207,000 head on June 30, 1937. A large increase in the slaughter of cows and young stock usually denotes a tendency to reduce herds. Slaughter of cows as percentage of the slaughter of steers, bulls, and cows has remained at about 40 percent in each of the 5 years, 1936 to 1940, against 35 percent in 1934 and 1935.

In 1940 total slaughter of cattle and calves in all establishments for export and domestic consumption amounted to 6,984,000 head, a decrease of 6 percent below 1939. Export slaughter in these establishments totaled only 2,121,000 head and was 16 percent below 1939 and also smaller than in any year since 1935. Slaughter for domestic consumption was also somewhat smaller than in 1939, amounting to 4,863,000 head, a decrease of 1 percent. Slaughter of cattle and calves on ranches is not included, but is roughly estimated at 1 million head annually.

1/ For details of the changes in the official fixed prices, see Foreign Crops and Markets, July 7, 1941.

ARGENTINA: Slaughter of cattle and calves for domestic consumption
and export, 1934-1940

Year	For domestic consumption			For export			Total
	Cattle	Calves	Total	Cattle	Calves	Total	
	Thou- sands	Thou- sands	Thou- sands	Thou- sands	Thou- sands	Thou- sands	Thou- sands
1934	3,569	639	4,208	1,781	13	1,794	6,002
1935	3,786	667	4,453	1,927	19	1,946	6,399
1936	3,743	746	4,489	2,195	47	2,242	6,731
1937	3,977	766	4,743	2,440	78	2,418	7,161
1938	4,033	829	4,862	2,132	75	2,207	7,069
1939	4,179	749	4,928	2,493	35	2,528	7,456
1940	4,064	799	4,863	2,091	30	2,121	6,984

Compiled from Boletín Estadística Agropecuaria.

Mutton and lamb production in 1940 increased to 362 million pounds, as a result of an increase in the average weight of sheep and lambs slaughtered, and was 10 percent larger than in 1939 and also a little above the high level reached in 1938. Despite larger production, the proportion used for domestic consumption, although larger than in 1939, represented only 62 percent of production instead of 65 percent as in the 5 years, 1936-1940. Exports, chiefly to the United Kingdom, amounted to 136 million pounds and were 12 percent larger than in 1939.

Latest estimates place the number of sheep in Argentina at approximately 44 million head, or about the same as the number enumerated at the time of the 1937 census. The slaughter of sheep and lambs has decreased during the past 2 years, i.e. from 7,839,000 in 1938 to 7,518,000 in 1940. In 1940, however, there was a substantial increase in the slaughter for export, which reached 4,582,000, an increase of 16 percent above 1939 and the largest number slaughtered since the depression years, 1930-1932. The increase was particularly noticeable in the wether and ewe classes, although the slaughter of lambs, which represents 81 percent of the export total, also increased. Slaughter in establishments for domestic consumption decreased 21 percent to 2,936,000 head. Slaughter of sheep and lambs on ranches is not included in these figures, but it is estimated roughly at 2 million head annually.

Pork production, exclusive of that produced on farms, for which no estimate is available, amounted to 209 million pounds in 1940, an increase of 1 percent above 1939. Domestic consumption of pork has increased materially in the past 5 years, and in 1940 about 95 percent of the commercial production was consumed in Argentina against an average of 79 percent for the 5 years 1936-1940. The restricted outlook for export pork in the United Kingdom is partly responsible for this large increase in domestic consumption in 1940. Exports of frozen and chilled pork to that country fell from 18 million pounds in 1938 to only 3 million in 1940. Increased British pork purchases this year improved the export outlook.

CHINESE EGG SHIPMENTS
SMALLER TO UNITED STATES;
SHIPMENTS TO GERMANY HALTED . . .

Dried-egg shipments from Tientsin, China, to the United States in the first 7 months of 1941 amounted to 1,835,000 pounds and were about 26 percent smaller than a year earlier, according to cabled advices. It was estimated earlier in the season that exports of dried-egg products from China to the United States this year would be of smaller volume than in 1940 due to the greater activity of German buyers. It is unofficially estimated that half of this year's total of dried-egg shipments went to central Europe, a quarter to the United States, a fifth to the United Kingdom and the balance to other Chinese ports.

The recent closing of the Trans-Siberian Railway to egg shipments for Germany had the effect of depressing egg prices moderately, but no important liquidation of German stocks has occurred. Germans and some sellers to Germany do not feel compelled to liquidate as they believe that this route is closed only temporarily. Stocks are reported to be in strong hands and adequately stored.

Buying of eggs, however, for the German market, which has been active this season at high prices, has ceased, which will make more eggs available for other markets. It is therefore believed by some that dried eggs may witness a further moderate decline in price during the fall season if war continues, but some report that interior supplies are short and other markets can absorb the greater supplies made available without an appreciable decline in price. General price tendencies and the exchange situation are also factors that may prevent any further important declines in egg prices during the coming months.

CANADIAN CATTLE
NUMBERS EXPAND . . .

Further expansion in cattle numbers in Canada is indicated by an increase of 3 percent in the number bred to calve in the spring of this year. Cattle numbers had already made some recovery from the low point to which they were reduced in 1937 and 1938. The number on hand on December 1, 1940, was 8,316,000, an increase of 1 percent above 1939 and 3 percent above numbers in 1937 and 1938.

Most of the expansion so far has been in cattle other than milk cows as the number of these cattle on December 1, 1940, was 4,398,000, an increase of 2 percent above a year earlier. These "other" cattle, however, include some heifers being raised for milk cows. The number in 1939 was 808,000 compared with 794,000 in 1938. Milk cows, estimated at 3,900,000 head in December 1940, were approximately the same as in 1939.

CANADA: Number of cattle and of cows bred to calve December-May,
1936-37 to 1940-41

Classification	1936-37	1937-38	1938-39	1939-40	1940-41
	1,000	1,000	1,000	1,000	1,000
	<u>head</u>	<u>head</u>	<u>head</u>	<u>head</u>	<u>head</u>
Total cattle and calves December <u>a/</u>	8,377	8,080	8,091	8,224	8,316
Milk cows	4,010	3,930	3,961	3,933	3,917
Yearling heifers reserved	:	:	:	:	:
for milk	824	774	794	808	<u>b/</u>
Total milk cows and heifers.....	4,834	4,704	4,755	4,741	-
Other cattle	3,503	3,376	3,336	3,483	<u>c/</u> 4,398
Cows to calve December-May.....	3,357	3,264	3,299	3,332	3,430
	:	:	:	:	:

Quarterly Bulletin of Agricultural Statistics, January-March, Vol. 34, No. 389. a/ December 1, first-named year. b/ Included with "other" cattle - not reported separately in 1940. c/ Includes yearling heifers reserved for milk.

Recent reports (mid-July) of deterioration in crop prospects for hay, pasturage, and feed grains as a result of dry weather might change earlier expectations of a strong market for feeder cattle late in 1941 and early 1942 should serious drought conditions materialize. The demand for feeder cattle as a result of abundant grass and prospects of larger feed-grain supplies had resulted in high prices being paid for feeder cattle this spring and early summer.

CANADA: Wholesale price per 100 pounds, live weight of good stocker and
feeder steers in Winnipeg, January 1937 - May 1941

Month	1937	1938	1939	1940	1941
	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>
January	3.67	3.28	4.94	4.92	5.93
February	3.77	3.21	5.00	4.90	6.17
March	4.23	3.57	5.36	5.07	6.30
April	4.48	4.29	5.34	5.35	6.36
May	4.20	4.46	5.22	5.59	6.56
June	4.25	4.52	4.99	5.57	6.51
July	4.29	4.39	4.76	5.37	6.15
August	4.73	4.35	4.90	5.65	-
September	4.57	4.09 <u>a/</u>	5.20	5.83	-
October	4.09	4.08	5.25	5.51	-
November	3.93	4.42	5.25	5.55	-
December	3.36	4.60	5.05	5.45	-
	:	:	:	:	:

Converted to American dollars at current rate of exchange. a/ For this and subsequent months, controlled rate of exchange used.

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